

Tax Bulletin 14-07

Effective Date: July 1, 2007

Re: Decrease of Maximum Municipal Telecommunications License Tax

The 2007 Utah Legislature passed HB 238 (Utah Code §10-1-403) decreasing the maximum rate that a municipality legislative body may impose as municipal telecommunications license tax. The maximum rate was reduced from 4 percent to 3.5 percent on the telecommunications provider's gross receipts from telecommunications services that are attributed to the municipality.

All municipalities that currently impose a municipal telecommunications license tax at the rate of 4 percent will be reduced to 3.5 percent effective July 1, 2007. Vendors must collect the tax on all taxable transactions at the lower rate on or after July 1, 2007.

This tax rate will be reflected on municipal telecommunications license tax returns (TC-34 payment coupon and TC-34Q electronic return) beginning with the July monthly period (for monthly filers) or the July-September quarterly period (for quarterly filers) depending on filing frequency.

QUESTIONS...



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